



NEWS

FOR IMMEDIATE RELEASE

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MAMSI Announces New Laboratory Agreements

Rockville, Md. -- Mid Atlantic Medical Services, Inc. (MAMSI) (MME-NYSE), one of the mid-Atlantic region's largest health services companies, today announced that following a comprehensive competitive bid process the Company has entered into new laboratory agreements with Laboratory Corporation of America® Holdings (LabCorp®) (NYSE:LH) and American Medical Laboratories, Inc. (AML). LabCorp will be the preferred laboratory for all MAMSI health plans in Maryland (except the Eastern Shore), Delaware, North Carolina, Pennsylvania, Virginia (except Northern Virginia) and West Virginia. AML will be the preferred laboratory for all MAMSI health plans in the District of Columbia and Northern Virginia. The terms of the multi-year agreements were not disclosed.

Shore Health Laboratories will continue as the preferred laboratory for MAMSI health plan members residing on Maryland's Eastern Shore.

"We are pleased to significantly expand the geographic areas and membership served by LabCorp and to add AML to our network," said Mark D. Groban, M.D., MAMSI's Chairman of the Board. "Both laboratories share our commitment to providing excellent customer service and to working in partnership with physicians, health care practitioners and facilities. I am confident that our participating physicians and health plan members will be well served by these laboratories."

LabCorp, headquartered in Burlington, North Carolina, is a national clinical laboratory with 25 major laboratories and approximately 900 patient service centers from coast to coast. More than 18,000 employees serve over 200,000 clients nationwide. The Company offers more than 4,000 clinical tests, ranging from simple blood analyses to sophisticated genomic technologies performed at its industry leading Centers of Excellence.

"As the preferred laboratory for MAMSI's health plans in most regions, including the majority of Maryland, LabCorp is committed to expanding access to quality health care through our vast menu of laboratory services, multiple service sites and state-of-the art management information systems," said Richard L. Novak, LabCorp's Executive Vice President and Chief Operating Officer.

AML, headquartered in Chantilly, Virginia, is a rapidly growing, national reference laboratory that is a leader in developing integrated clinical laboratory solutions for hospital networks, health plans and regional laboratories. Founded in 1959, AML is now ranked as the third largest esoteric testing laboratory in the United States. AML is also known for innovative information technology including AML webConnect™, which allows physicians to access patient laboratory results from any location via the Internet.

According to Jack Bergstrom, AML Executive Vice-President, "AML and MAMSI are a perfect fit. With AML's central laboratory located in the heart of MAMSI health plans' District of Columbia and Northern

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Virginia service area, we can provide an exceptional level of service to physicians participating with MAMSI's health plans and their patients."

Shore Health Laboratories is an accredited regional reference laboratory serving Maryland's Eastern Shore as well as Sussex County, Delaware. It is affiliated with Shore Health System of Maryland.

"We are pleased to continue to be a part of MAMSI's laboratory network," said Joe Ross, President Shore Health System of Maryland. "MAMSI is clearly building relationships with health care providers to enhance the quality of care and the level of service its health plan members receive from participating health care providers."

MAMSI's health plans operate in Maryland, Virginia, North Carolina, Pennsylvania, West Virginia, Delaware and Washington, D.C. and cover about 1.8 million lives.

Note 1: Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995: All forward-looking information or statements contained in this release, including expectations regarding future or continued performance, are based on management's current knowledge of factors, all with inherent risks and uncertainties, affecting MAMSI's business. MAMSI's actual results may differ materially if these assumptions prove invalid. Significant risk factors, while not all-inclusive, are: the possibility of increasing price competition in the Company's service area; the possibility that the Company is not able to increase its market share at the anticipated premium rates; the possibility of increased litigation, legislation or regulation that might increase regulatory oversight which, in turn, would have the potential for increased costs; the potential for increased medical expenses due to increased utilization by the Company's membership, increased practitioner and pharmaceutical costs, and Federal or state mandates that increase benefits or limit the Company's oversight ability; and the possibility that the Company is not able to negotiate new or renewal contracts with appropriate physicians, other health care practitioners, hospitals and facilities. Investors should review other risks and uncertainties contained in Company documents filed with the Securities and Exchange Commission.

Note 2: MAMSI's subsidiaries include MD-Individual Practice Association, Inc. (M.D. IPA), Optimum Choice, Inc.® (OCI), Optimum Choice of the Carolinas, Inc. (OCCI), Alliance PPO, LLC, MAMSI Life and Health Insurance Company (MLH) and home care companies such as HomeCall, Inc., FirstCall, Inc., HomeCall Hospice Services, Inc. and HomeCall Pharmaceutical Services, Inc.

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